

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN JOE MCKENNEY**, on March 28, 2001 at 8:00 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Joe McKenney, Chairman (R)
Rep. Rod Bitney, Vice Chairman (R)
Rep. Gary Matthews, Vice Chairman (D)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Roy Brown (R)
Rep. Nancy Fritz (D)
Rep. Dave Gallik (D)
Rep. Kathleen Galvin-Halcro (D)
Rep. Dennis Himmelberger (R)
Rep. Carol C. Juneau (D)
Rep. Jim Keane (D)
Rep. Rick Laible (R)
Rep. Bob Lawson (R)
Rep. John Musgrove (D)
Rep. William Price (R)
Rep. Allen Rome (R)
Rep. Donald Steinbeisser (R)
Rep. Brett Tramelli (D)
Rep. James Whitaker (R)

Members Excused: None.

Members Absent: None.

Staff Present: Gordon Higgins, Legislative Branch
Jane Nofsinger, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB322, SB339, 3/23/2001
Executive Action: SB322, SB339, SB242

HEARING ON SB322

Sponsor: SEN. DALE BERRY, SD30, BITTERROOT

Proponents: Bill Kennedy, MACO, Yellowstone County Commission
Hank Hudson, DPHHS
Jane Jelinski, MACO

Opponents: None

Opening Statement by Sponsor:

SEN. DALE BERRY, SD30, BITTERROOT, said this was a complex 40 page bill about revising funding for the public assistance program. He said it is tied to HB124 and with its passage the fiscal note disappears. If it does not pass the fiscal note goes to DPHHS. He said counties are obligated for a portion of the public assistance and that is capped at 9% by statute.

Proponents' Testimony:

Commissioner Kennedy said that currently in 13 counties the state runs the entire program. This bill will make sure the counties are involved. He said, "We hear about local control, this bill is it." He said the public assistance program is a partnership and they want to keep it that way. He said last year the administration fee was moved from 9-14% with no input from the counties. He said counties statewide did not pay the fee, and now they need to start with a clean slate and remove the past charges.

Mr. Hudson said the move for this bill began last session when the sub-committee wrestled with the amount the counties would put in. He said it varies depending on cases. Then he said they went to a block grant, but they have to put up \$15 million to receive a federal block grant. The sub-committee said get a better model which is fair, predictable and understandable. He said HB124 resolves this by taking a five year average and setting payment, or using the 2000 payment. He said the bill will make the county-state relationship less complex.

Ms. Jelinski said the bill promotes equity and improves the relationship between county and state which she said benefitted the taxpayer and the consumer.

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. LAIBLE asked **Commissioner Kennedy** if the state actually runs 13 counties and in other counties local employees are paid by the state. **Commissioner Kennedy** said 13 counties are assumed. They send 9 mil to the state and the state picks up the rest. The county is billed for administrative expenses. **REP. LAIBLE** asked if all employees would be under the state. **Commissioner Kennedy** said the state would run and hire, they just wouldn't have local input. He said this bill would streamline the process and make sure the counties and state are a partnership.

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REP. KEANE asked **Mr. Hudson** how they track people moving between counties. **Mr. Hudson** said they would like to have it so they could apply at the state and be in any county. For example, a child could apply for Medicare for their elderly parent who lived in another county.

REP. JUNEAU asked if the board would resolve disputes involving tribes. **Mr. Hudson** said there is not a seat on this board for tribes. **REP. JUNEAU** asked if that was considered and they decided not to do it, or should it be included. **Mr. Hudson** said the bill really focused mostly on elected local county governments.

Closing by Sponsor:

SEN. BERRY said the bill will rectify the problem with assumed and unassumed counties. He said he hopes HB124 came through to take care of the funding.

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HEARING ON SB233

Sponsor: SEN. DEBBIE SHEA, SD18, BUTTE

Proponents: Bill Snoddy, self
Arlene Parisot, OCHE
Russ Ritter, Montana Resources
Mr. Stuart, University students
Bob Pavlovich, IBEW
Sarah Cobbler, MSU and Western in Dillon
Aidan Myhre, Montana Chamber of Commerce
Bill Kennedy, Workforce Investment Board
Angela Janacaro, Montana Mining Assn.
Don Judge, MT AFL-CIO

Opponents: None

Opening Statement by Sponsor:

SEN. DEBBIE SHEA, SD18, BUTTE, said Montana is losing hard-working families and multitudes in natural resources have lost jobs and moved away. This bill will provide for re-training timber, mining and oil-gas industry workers. This bill would allow them the opportunity to stay in Montana and be re-educated, she said. She explained it had been amended in the Senate to accommodate concerns raised there. She said she has been told by **REP. LEWIS** the dollars are there now. She said this is new ground and good legislation to provide our workers who are leaving. She called this a "jobs" legislation to help workers stay in Montana.

Proponents' Testimony:

Mr. Snoddy said he had worked on this idea since July of last year and had considered various sources of funding. He said he was speaking on behalf of several counties who were losing a generation of workers and their skills. He said these workers need to enter new fields and through education they can fill Montana jobs.

Ms. Parisot said future jobs in Montana will require new, highly-skilled, well-trained employees. She said they offer course through distance technology. Examples of these courses are: 1) certification in Microsoft, Novell, and Oracle, 2) health care skills such as dental hygiene, EMT, surgical nursing and biotech, and 3) auto diesel and heavy equipment instruction.

Mr. Ritter said 325 people are out of work in Butte due to MRI closing. He asked the committee if they thought one year ago they would be hearing about funding for displaced workers.

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He said they need to get these folks back into the workforce because it affects the entire community. He said this bill is a first step and sends the right message.

Mr. Stuart said he represented 15,000 university students and he supported the bill. "These layoffs are not these workers' fault," he said, "They did not deserve to be laid off."

Mr. Pavolich said this bill will help keep the workers in state.

Ms. Cobbler said this bill needs to be funded because 1000s of workers have lost jobs. She said 85% of all jobs require skilled labor.

Ms. Myhre supported the bill as being creative and appropriate. She said it will enhance the skill level of our workers.

Mr. Kennedy said Eastern Montana has been hit hard by the oil and gas drop. He added this bill would help Montana improve its economy.

Ms. Janacaro said workers need to be re-educated in a clean industry.

Mr. Judge cited layoff figures since July 2000 and estimated them at 2500 which he said was the highest since 1980. He said he is having to turn workers away saying there is no money there because they can only serve 1500 and have turned away 1000. He said this bill will be helpful but it is not sufficient.

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. GALLIK asked how many the bill will serve. **SEN. SHEA** said maybe 30-50 people, but it is hard to say.

REP. HIMMELBERGER asked **Mr. Snoddy** about the fact that Stillwater Mine needed miners and if the Butte workers could qualify there. **Mr. Snoddy** said underground mining requires extensive additional training, and equipment use is significantly different. He said some skills were transferrable.

REP. LAIBLE asked how much money would be received from RIT this biennium. **Mr. Tubbs** said **SEN. SHEA** had proposed \$150,000 of the tax proceeds once the fund reaches \$100 million. He said the impact would be to take \$75,000 from reclamation and \$75,000 from the orphan mine share.

REP LAIBLE asked how the funds would be accessed. **Ms. Keating** said the Department of Labor oversees a variety of training and there is a one-stop system at the local level which provides service to the unemployed and under-employed.

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REP. BROWN said the RIT, the Resource Indemnity Trust Tax, began in 1973 to indemnify Montana citizens for the loss of resources which were non-renewable. He said the trust was established in 1975. **Mr. Tubbs** said it had been a dual funding for renewable resource grants and reclamation type projects. He said this would be the first use of the funds for education. **REP. BROWN** asked who paid the tax. **Mr. Tubbs** said the metal mining and oil/gas industries paid 0.5% on the gross proceeds of all extraction. He said the oil/gas industry began paying it in the 1990's.

REP. GALLIK asked **Ms. Parisot** what the fees were at the universities she mentioned. She replied they varied.

Closing by Sponsor:

SEN. SHEA said this was important legislation to a lot of people. She said she welcomed input from the committee and knew their support for these workers because she had seen it in **REP. KEANE's** bill. She said even though the timber industry hasn't been part of this fund, we still need to support them. She said the bill was only effective for five years but would give workers the opportunity they needed to stay in Montana. She concluded, "Give the butterfly the wings it needs to go forward in its flight."

EXECUTIVE ACTION ON SB339

Motion: **REP. BROWN** moved that **SB339 BE CONCURRED IN.**

Discussion:

Motion: **REP. JUNEAU** moved that **SB339 BE AMENDED.**

Discussion:

REP. JUNEAU offered an amendment to include a tribal member on the board.

Vote: Motion **carried unanimously.**

Motion: **REP. JUNEAU** moved that **SB339 BE CONCURRED IN AS AMENDED.**

Discussion:

Motion: **REP. GALLIK** moved that **SB339 BE AMENDED.**

Discussion:

Mr. Higgins said this was a technical not a substantive amendment.

Vote: Motion **carried unanimously.**

Motion/Vote: **REP. GALLIK** moved that **SB339 BE CONCURRED IN AS AMENDED. Motion carried unanimously.**

REP. BROWN will carry the bill in the House.

{Tape : 2; Side : B; Approx. Time Counter : 23.5}

EXECUTIVE ACTION ON SB322

Motion: **REP. GALLIK** moved that **SB322 BE CONCURRED IN.**

Discussion:

Motion: REP. GALLIK moved that SB322 BE AMENDED.

Discussion:

REP. GALLIK said he would move SEN. SHEA's amendment since she was in another meeting.

Vote: Motion carried 18-1 with Brown voting no.

Motion: REP. GALLIK moved that SB322 BE CONCURRED IN AS AMENDED.

Discussion:

REP. GALLIK said he had found out the two year tuition was \$1000-3000 per year and he had wanted to know how many people this bill would serve.

REP. LAIBLE said he liked the bill because it used reclamation dollars to reclaim workers.

REP. KEANE said he was thrilled REP. LAIBLE liked a labor bill.

REP. BROWN said he thought most members of the committee were concerned for workers. He added he thought it was a terrible tragedy all of these people were out of work. He said that unfortunately the jobs were gone because other people had come here and said they wanted to make it a playground, so these workers lost their jobs.

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He said now we want to retrain these people for lower paying jobs than what they have. He asked the committee to just think about how this situation came about in the first place.

REP. LAIBLE said his thoughts were that sometimes the people who say save the workers are the same ones who shut down natural resources.

REP. KEANE said he agreed with REP. BROWN and they should be talking about those issues and how to solve the problems.

REP. GALLIK said thank goodness for the 1973 Legislature because Montana would have been shipping out resources in the past without getting dollars.

CHAIRMAN MCKENNEY remarked his name was at the top of this bill. He agreed with REP. BROWN that they were treating a symptom, not a disease. He explained the decrease in the natural resource industry had taken Montana's per capita income from 10th in the nation in the 1940's, to 50th last year. He said it was up to 47th this year, but that was not good enough.

Vote: Motion carried 17-2 with Himmelberger and Whitaker voting no.

EXECUTIVE ACTION ON SB242

Motion: REP. LAWSON moved that SB242 BE CONCURRED IN.

Discussion:

REP. LAWSON said SEN. O'NEIL had asked them to wait for another bill, and he told him this was the last day. SEN. O'NEIL told him he had three amendments that he wanted them to take up. He said he would move one amendment at a time.

Ms. Vandenbosch said the first amendment changed the date to a retroactive date.

REP. BOOKOUT-REINICKE said this amendment makes the lawsuit go away.

REP. LAWSON said he was not familiar with the lawsuit.

Vote: Motion carried 18-1 with Lawson voting no.

Motion: REP. LAWSON moved that SB242 BE CONCURRED IN AS AMENDED.

Discussion:

Motion: REP. LAWSON moved that SB242 BE AMENDED.

Discussion:

Ms. Vandenbosch said in the Senate the bill was amended to define county jurisdiction areas. This changed the bill so the area has to be the entire county, an portions of the county are not subject to codes.

REP. LAWSON asked if it stripped the Senate amendments and if it would prevent counties from spot zoning. Ms. Vandenbosch said it strips some amendments, and prevents spot building codes.

REP. HIMMELBERGER asked if the sponsor requested this amendment. Ms. Vandenbosch said all three amendments were from the sponsor.

REP. LAWSON said all three amendments were from the sponsor trying to limit the ability of the city to impose building codes.

REP. MATTHEWS said it was an easy decision for him. He would like to see the bill killed, but he knew it wouldn't be a 19-0 vote.

REP. BOOKOUT-REINICKE said she was in favor of the amendment so this gentleman would not have to go to jail.

Vote: Motion carried 11-8 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Lawson, Matthews, and Tramelli voting no.

Motion: REP. LAWSON moved that SB242 BE AMENDED.

Discussion:

Ms. Vandebosch said this section concerned public notice and notice to each owner, and the right of owners to protest.

Vote: Motion carried 11-8 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Matthews, Steinbeisser, and Tramelli voting no.

Motion: REP. LAWSON moved that SB242 BE CONCURRED IN AS AMENDED.

Discussion:

REP. MATTHEWS said, "Vote against this bill it will take an hour on the House floor.

REP. GALLIK said he was against the bill because he thought the counties should determine their own fate.

Vote: Motion carried 11-8 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Lawson, Matthews, and Tramelli voting no.

ADJOURNMENT

Adjournment: 11:00 A.M.

REP. JOE MCKENNEY, Chairman

JANE NOFSINGER, Secretary

JM/JN

EXHIBIT (buh70aad)